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Prime Minister's schedule, July 26

NIHON KEIZAI (Page 2) (Full) July 27, 2006

10:04

Attended at Kantei a meeting of the Central Council for the Promotion of Measures for Disabled Persons. Met afterwards with Administrative Vice Foreign Minister Yachi.

11:33

Attended award ceremony for persons involved in forestry promotion. Took commemorative photograph with award winners.

15:00

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Met with Science and Technology Policy Minister Matsuda and lawmaker Hiroyuki Abe of the Council for Science and Technology Policy. Met later with Toshiba Chairman Okamura and Yotaro Kobayashi, supreme advisor to Fuji Xerox.

15:59

Met with Assistant Deputy Chief Cabinet Secretary Saka, followed by Public Security Intelligence Agency chief Oizumi.

17:02

Attended a meeting of the Council for Science and Technology Policy.

18:58

Returned to his official residence.

4) Government to decide to resume US beef imports today, following LDP approval; Shipments to arrive as early as next month

TOKYO SHIMBUN (Top Play) (Full) July 27, 2006

In a bid to resume US beef imports, the Ministry of Health, Labor, and Welfare (MHLW) and the Ministry of Agriculture, Forestry, and Fisheries (MAFF) conducted prior inspections of US meatpackers to check their BSE preventive measures. As a result, they yesterday decided to resume imports from 34 of 35 authorized facilities. They consulted with the Liberal Democratic Party (LDP) and obtained its approval. The decision will be formally adopted today, and shipments will arrive in Japan as early as mid-August.

Meat processed prior to authorization found in distribution channel

The government has decided to resume US beef imports six months after the second ban was imposed following the discovery of vertebral columns, a specified risk material, in a shipment on January 20 this year. However, since Japanese consumers are distrustful of the safety of US beef, distribution will likely be limited at first.

Both ministries inspected 35 US meatpackers authorized to export products to Japan over a one-month period starting on June 24 to check whether their facilities meet Japan-bound export conditions. The inspections found that one plant of the 35 needed to change its processing manuals due to a planned corporate merger.

For this reason, this plant will not be eligible to export products to Japan until it prepares new manuals and the Japanese side examines them.

Inspectors also found that when Japan resumed imports last December, one meatpacker exported beef from cattle slaughtered before it obtained authorization from the US government. MAFF and the MHLW

allowed this company to resume exports to Japan on the condition that the US government intensively monitors it for two months. Now that beef imported from this company has already been distributed in the domestic market, criticism will likely arise.

Regarding the products that have not cleared customs and are being held in storage at warehouses at domestic ports, the government has changed its plans to approve the import of this meat immediately after it formally decides to resume US beef. This meat will be

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allowed in only if it has been confirmed that there have been no problems three months after the resumption of imports.

MAFF and the MHLW will make a formal decision today and relay the decision to the US after reporting it to the Cabinet Office's Food Safety Commission. They will hold briefings in Tokyo and Osaka to explain the decision to resume US beef imports to consumers and representatives of the food industry.

5) Yoshinoya chain to put beef-bowl back on its menu, possibly in late September

NIHON KEIZAI (Page 3) (Full) July 27, 2006

Following the government decision today to lift a ban on US beef imports, restaurant chains and retailers will begin full preparations to sell beef products. Yoshinoya D&C will carry out its own inspections of US meat processing plants with the aim of putting its popular beef bowls back on the menu at its restaurants, starting in late September. Some barbecue restaurant chains have also started looking into the possibility of using US beef. However, since some consumers still remain distrustful of the safety of US beef, many companies are taking a wait-and-see attitude.

Yoshinoya will mount posters at its 1,000 stores noting, "It will take at least two months until we can serve beef bowls again to our patrons." The company will dispatch a survey group to some of the meatpackers, which the Japanese government has inspected recently, to see whether cattle are processed properly.

Yoshinoya expects that it could secure 1,000 tons of beef per month - about 40% of the pre-ban level. Chances are, however, it may not be able to find even this amount. In that case, it will likely serve beef bowls only on a limited number of days. If it can procure 1,000 tons a month on a stable basis, it would put beef bowls on a lunch menu, instead of on designated days. If it can procure more beef, it will then serve the dish on a regular basis. The price of a medium-size beef bowl will be around 400 yen. The pre-ban price was 280 yen.

6) Poll: 55% of LDP supporters favor Aug. 15 visit to Yasukuni Shrine

MAINICHI (Page 5) (Abridged) July 27, 2006

The ruling Liberal Democratic Party's supporters are in favor of prime ministerial visits to Yasukuni Shrine, the Mainichi Shimbun found from its analysis of answers to questions in its July 22-23 nationwide public opinion survey. Among LDP supporters, however, more than 60% are in favor of separately enshrining the Class-A war criminals or building a new national secular memorial for the war dead as a potential solution to the Yasukuni issue. This tendency is generally similar to the trend of all respondents. This shows the mixed feelings of LDP supporters who favor prime ministerial visits to Yasukuni Shrine but want the Yasukuni issue to be settled in some way or other.

In the latest survey, the Mainichi Shimbun asked respondents if they thought Prime Minister Junichiro Koizumi should visit Yasukuni Shrine on Aug. 15. In response to this question, "yes" accounted for

36%, with "no" at 54%. Among LDP supporters, "yes" accounted for 55% and "no" at 38%. When it comes to other political parties' respective supporters, more than half of each political party's supporters opposed Koizumi's Aug. 15 visit to Yasukuni Shrine. In their breakdown, "no" accounted for 71% among those who support the leading opposition Democratic Party of Japan (Minshuto), 64% among the New Komeito party's supporters, 82% among the Japanese Communist Party's supporters, and 76% among the Social Democratic Party's supporters.

Respondents were also asked whether they wanted the next prime minister to visit Yasukuni, with 33% of respondents answering "yes" and 54% saying "no." In their breakdowns, "yes" accounted for 48% and "no" 40% among LDP supporters. Among DPJ, Komeito, JCP, and SDP supporters, more than two-thirds were opposed. As seen from these figures, LDP supporters appear to favor the next prime minister visiting Yasukuni as well.

7) Aso to play up diplomatic credentials through separate talks

SANKEI (Page 2) (Excerpts) July 27, 2006

Jiro Otani, Kuala Lumpur

Foreign Minister Taro Aso, now visiting Malaysia, plans to hold bilateral talks with his counterparts of China, South Korea, and others countries, on the sidelines of the ASEAN Regional Forum (ARF) cabinet meeting that will be held on July 28. The bilateral sessions are the result of a meeting of minds of Aso, who wants to boost his diplomatic profile as he prepares for running in the LDP presidential election in September, and the Foreign Ministry, which want to focus on Asia diplomacy after the LDP presidential race.

"The ARF meeting provides a good opportunity to strengthen communication channels to Asian leaders at the cabinet level," a Foreign Ministry official said. In fact, Aso's itinerary is tightly packed.

On July 26, he met with the foreign ministers of Vietnam and other countries. On July 27, he is scheduled to have talks with the South Korean and Chinese counterparts. Those events will be followed by bilateral talks with the foreign ministers of other participating countries, such as Russia and Malaysia. Time permitting, Aso intends to have even "chats" with leaders of other countries, according to an official traveling with him.

The Foreign Ministry's enthusiasm for bilateral talks reflects its concern over China's rapidly growing influence over ASEAN members.

8) Japan, US, China looking for ways to bring North Korea back to  $\operatorname{six-party}$  talks

NIHON KEIZAI (Page 2) (Excerpts) July 27, 2006

Toyofumi Amano, Kuala Lumpur

Prior to the start of the ASEAN Regional Forum (ARF) ministerial session, an effort was launched yesterday to bring North Korea back to the six-party talks. Some countries have begun looking for ways to hold informal multilateral talks in which nonmembers of the

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six-party talks can take part, as China has been unwilling to take part in a five-party foreign ministerial meeting as called for mainly by Japan and the United States if North Korea does not participate.

In the ASEAN+3 foreign ministerial session yesterday, Foreign Minister Taro Aso insisted: "North Korea should take the message from the international community seriously and return to the six-party talks immediately and unconditionally."

China's Foreign Minister Li Zhaoxing implied the need for the US and

North Korea to meet halfway, noting: "North Korea's missile launches this time came because of the prolonged hostility between the concerned countries and the serious level of mutual distrust." This foreign ministerial meeting issued a chairman's statement expressing hopes for six-party discussions on the sidelines of ARF.

Prior to the foreign ministerial session, the chief Japanese and US negotiators to the six-party talks, Kenichiro Sasae, director-general at the Foreign Ministry's Asian and Oceanian Affairs Bureau, and Christopher Hill, US assistant secretary of state, shared the perception that it is of significance to hold a multilateral foreign ministerial meeting by utilizing the opportunity ARF presents. After the meeting, Sasae told reporters, "There are a number of possibilities regarding the form it should take." Hill made this comment: "A multilateral solution is necessary. We'd like to work together with our partners and allies."

9) Japan-China talks in the bathroom?

NIHON KEIZAI (Page 2) (Full) July 27, 2006

In the middle of the ASEAN+3 foreign ministerial session yesterday, Foreign Minister Taro Aso and Chinese Foreign Minister Li Zhaoxing bumped into each other in the bathroom.

When participants were saying that ASEAN frequently holds dialogue while Northeast Asia is different, Aso left for 10 minutes. Upon returning, he stated: "I ran into Foreign Minister Li in the bathroom, and we discussed how to advance the six-party talks. It was productive." Ahead of the foreign ministerial session slated for July 27, Aso thus expressed a mood of friendship.

10) Japanese, Chinese, North Korean foreign ministers attending ARF share the same hotel

MAINICHI (Page 2) (Full) July 27, 2006

Tomoko Onuki, Kuala Lumpur

The ASEAN Regional Forum (ARF) cabinet meeting on July 28 will also bring together the foreign ministers of the six-party talks on the North Korean nuclear issue. In Kuala Lumpur, Foreign Minister Taro Aso will be staying at the same hotel with his counterparts from North Korea, China, and Russia supposedly for security reasons. It is extremely rare for leaders of Japan, China, and North to share the same hotel. Attention is focused on the hotel, speculating that Japan and North Korea will come in contact with each other.

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Aso arrived in Kuala Lumpur on July 26. North Korean Foreign Minister Paek Nam Sun is scheduled to arrive there on July 27. The Chinese and South Korean foreign ministers are expected to urge Pyongyang to return to the six-party talks in the talks with their North Korean counterpart. Talks between Japan and North Korea are not scheduled, however. If realized, Aso is expected to press the North to comply with the latest UN Security Council resolution on North Korea, protesting Pyongyang's missile launches.

11) LDP's Taku Yamasaki in Washington indirectly critical of Shinzo Abe: Difficulty to call for enemy-base strike capability (under current Constitutional restriction)

SANKEI (Page 5) (Full) July 27, 2006

By Hideya Yamamoto in Washington

Former Liberal Democratic Party (LDP) Vice President Taku Yamasaki, who is now visiting the United States, gave a speech in Washington on July 25 at the influential think-tank Heritage Foundation, in which he called North Korea's launching of ballistic missiles at American a "love call." He indicated that there should be leniency

in the response to the launches. In addition, he warned that there would be "tragic results" coming from moves to impose sanctions on North Korea, and he urged the US to respond to the North by direct talks within the framework of the six-party talks.

In the speech, Yamasaki proposed that the US, taking the missile launches as a "love call," should change to a flexible stance, with both tough and soft features, toward North Korea. On the argument that has floated up after the North Korea missile launches for Japan to have a capability to strike enemy bases, Yamasaki pointed out: "It is difficult at this point for Japan to have such a capability based on constitutional interpretation." Although he did not name any names, he said, "One by one, gallant statements from Japanese politicians that can be taken as based on nationalism are coming out one after the other." He was criticizing Defense Agency Director General Nukaga and Chief Cabinet Secretary Abe for their remarks.

12) Abe rebuts remark by Yamasaki in Washington

SANKEI (Page 5) (Full) July 27, 2006

Chief Cabinet Secretary Shinzo Abe in his press conference on July 26 rebutted the criticism about him made by Liberal Democratic Party (LDP) former Vice President Taku Yamasaki who said in a speech in the US that the argument for Japan possessing a strike capability was difficult under the current interpretation of the Constitution. Abe retorted: "If he is going to criticize my statements, then I would like him to read well (the contents) of my press conferences. Everyone knows I was discussing the topic in the context of sole self-defense."

Abe also rebutted Yamasaki's referring to North Korea's missile launch at America as a "love call" that sought a dialogue. "It is not even worth my commenting on it," he snapped. A senior government official yesterday expressed displeasure at the remark, saying, "No one in the US should be taking such a remark seriously."

13) Photo of Chief Cabinet Secretary Abe appears on TV program

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featuring Unit 731; TBS apologizes

SANKEI (Page 3) (Full) July 27, 2006

It was learned yesterday that a photo of Chief Cabinet Secretary Shino Abe had been shown during a story on the former Imperial Japanese Army on the "Evening Five" TV program on Tokyo Broadcasting System (TBS). TBS on the same program apologized, saying that it had not deliberately included the photo and that it apologized to Abe. The footage might have given the audience a false impression. The Ministry of Internal Affairs and Communications is now investigating the TV program.

The TV program in question, broadcast on July 21, said that the chief of Unit 731 planned to unleash germ warfare on the US military immediately after the end of World War II. A photo of Abe appeared for several seconds when a TBS reporter was filmed conducting a phone interview. A spokesperson for TBS said, "In order to film the reporter on the phone in a small room, the cameraman moved from a prop storage room, and stage props and other materials happened to be shown."

According to the broadcaster, there was no intention to link the story to Abe.

14) Abe: "It's appalling"

SANKEI (Page 3) (Full) July 27, 2006

Referring in a press conference on July 26 to a Tokyo Broadcasting System program in which his photo appeared though there was no connection to the story, Chief Cabinet Secretary Shinzo Abe said:

"I was quite surprised to see it. If it was intentionally done, it's appalling, and if it was intended to damage my political career, it's a grave problem. I want to believe that it was not intentional."

The Ministry of Internal Affairs and Communications has started investigating the TV program as to whether it was done intentionally or not. Abe said: "I would like to wait for the results of the investigation." With the Liberal Democratic Party presidential election approaching, persons closed to Abe have expressed displeasure, with one person saying, "The way that image was used was extremely forced."

15) LDP's Kyuma reluctant to field Nukaga in party presidential race

ASAHI (Page 4) (Full) July 27, 2006

Liberal Democratic Party (LDP) General Council Chairman Fumio Kyuma delivered a speech yesterday in Fukuoka, in which he touched on the September party presidential election:

"Some say that one should be nominated as a presidential candidate, but I cannot accept such a view. Unlike the Olympics, just fielding someone in the presidential race is not good enough. We must win the election."

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He did not mention the name but he was apparently negative about a view calling for fielding Defense Agency Director General Fukushiro Nukaga in the race. The view is being floated in the Tsushima faction, to which Kyuma belongs.

A senior faction member from the House of Councillors told reporters yesterday, "If Mr. Nukaga runs in the election, he will be defeated honorably."

Faction head Yuji Tsushima stressed in a meeting yesterday, "We will prevent our faction Upper and Lower members from splitting." So saying, he called on his faction to unite, keeping in mind what happed in the 2003 general election.

16) ASDF to broaden assistance to Iraq

NIHON KEIZAI (Page 2) (Full) July 27, 2006

The government plans to modify the basic plan worked out under the Special Measures Law on Reconstruction Assistance to Iraq and get approval of a modified plan in early August. A draft modified plan was revealed yesterday. According to the revised plan, Arbil in northern Iraq and Taril in southern Iraq will be added to the areas for the Air Self-Defense Force's (ASDF) assistance. The revised plan will be submitted to a cabinet meeting soon after being approved at a joint session on Aug. 1 of the Liberal Democratic Party's (LDP) Cabinet Office Division, National Defense Division, and the Foreign Affairs Division.

The expansion of the ASDF's activities is intended to demonstrate to the United States Japan's contributions after the Ground Self-Defense Force pullout from Iraq's southern city of Samawah.

With the GSDF withdrawal, the provision relating to humanitarian assistance activities will be removed from the basic plan. Added to the GSDF evacuation unit's duties will be, for instance, maintenance, cleaning, and packing in Kuwait.

17) Hyogo governor protests to Defense Agency against missile test

SANKEI (Page 2) (Full) July 27, 2006

Hyogo Prefecture's Governor Toshizo Ido yesterday lodged a protest with the Defense Agency and the Fisheries Agency over a missile test

conducted in the Sea of Japan. "The Defense Agency carried out a missile performance test in the Sea of Japan off Hyogo Prefecture without prior notification," Ido said. "Local fishing boats had to evacuate the waters there," he added. No one was injured.

According to the Hyogo prefectural government, a 19-ton fishing boat with six crewmen on board was recovering its fishing gear in the Sea of Japan about 130 kilometers off the prefecture's coastal town of Kasumi at around 3:55 p.m. on July 25 when the fishing boat's crew saw something like a column of water arising from the sea several kilometers ahead after an airplane turned in the sky.

The sea area is designated by the Defense Agency for live-fire training. "The Defense Agency told us through the Fisheries Agency that they would conduct training," a Hyogo prefectural government

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official said. "But," the official added, "we didn't think they had planned a missile performance test that would cause a column of water to arise." Live-fire training is to be conducted with prior notification and no vessels nearby.

There were a total of at least 10 fishing boats in the training range when the test was going on. For this reason, the Hyogo prefectural government claimed in writing to the Defense Agency director general that the incident this time could have led to a fatal eventuality. In the letter, the governor strongly protests to the Defense Agency against the test, requesting the agency to avoid conducting anything like this time.

According to the Defense Agency's account, F-4 fighter planes were training for missile attacks on a destroyer. The destroyer fired 10 flare bombs to avert air-to-ship missiles. However, the fighter jets fired no missiles, the agency said. The agency also explained that the fishing boat was off the training range. The fishing boat's crew saw something like "a column of water" arising from the sea, according to the prefectural government. The agency admitted to the destroyer's firing of flare bombs. However, the agency also recounted that a column of water would not arise when a flare bomb falls into the sea. "They might have mistaken the smoke of flare bombs for a column of water," an agency official said. However, Defense Agency Director General Fukushiro Nukaga told reporters yesterday evening that he had ordered agency officials to find out if it was a column of water, while taking it that the training troubled local fishermen.

18) GOJ defeat finalized over Atsugi noise

TOKYO SHIMBUN (Page 26) (Abridged) July 27, 2006

The Defense Facilities Administration Agency decided yesterday not to make a final appeal to the Supreme Court and to accept the Tokyo High Court's ruling on a class action lawsuit over aircraft noise from the US Navy's Atsugi base, which is located in Kanagawa Prefecture and is currently jointly used with the Maritime Self-Defense Force. The Tokyo High Court in its ruling ordered the government to pay about 4.04 billion yen in damages to the roughly 4,900 plaintiffs who reside near the base. The case will not go to the Supreme Court. The government's defeat will now be finalized. The Tokyo High Court, in its ruling handed down on July 13, upheld an October 2002 Yokohama District Court ruling that ordered the government to pay damages. The high court rejected the government's appeal, saying that there has been no substantial improvement of the situation. At the same time, the court also rejected the plaintiffs' demand for future damages.

SCHIEFFER